

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1120 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Delete pages 10 through 21.
- 5 Page 22, delete lines 1 through 24, begin a new paragraph and insert:
- 6 "SECTION 6. IC 4-31-1-3 IS ADDED TO THE INDIANA CODE
- 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2005]: **Sec. 3. This article does not apply to any of the**
- 9 **following:**
- 10 (1) **Pari-mutuel pull tabs (as defined in IC 4-35-2-7) sold by**
- 11 **the state lottery commission on the premises of a permit**
- 12 **holder's race track under IC 4-35.**
- 13 (2) **Money wagered on pari-mutuel pull tabs under IC 4-35.**
- 14 (3) **Revenues from the sale of pari-mutuel pull tabs under**
- 15 **IC 4-35.**
- 16 SECTION 7. IC 4-31-5.5-3 IS AMENDED TO READ AS
- 17 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) As used in this
- 18 section, "live racing day" means a day on which at least eight (8) live
- 19 horse races are conducted.
- 20 (b) The commission's authority to issue satellite facility licenses is
- 21 subject to the following conditions:
- 22 (1) **Except as provided in subsection (c),** the commission may
- 23 issue four (4) satellite facility licenses to each permit holder that:
- 24 (A) conducts at least one hundred twenty (120) live racing
- 25 days per year at the racetrack designated in the permit holder's
- 26 permit; and
- 27 (B) meets the other requirements of this chapter and the rules
- 28 adopted under this chapter.
- 29 If a permit holder that operates satellite facilities does not meet the
- 30 required minimum number of live racing days, the permit holder
- 31 may not operate the permit holder's satellite facilities during the
- 32 following year. However, the requirement for one hundred twenty

(120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

(c) After December 31, 2004, a permit holder may not submit an initial application for a license to operate an additional satellite facility under this chapter. After December 31, 2004, the commission may not issue an initial license for a new satellite facility. A satellite facility license issued before January 1, 2005, may be renewed annually subject to the requirements of this chapter.

SECTION 8. IC 4-32-15-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to the sale of pari-mutuel pull tabs under IC 4-35.**

SECTION 9. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall place

1 in the state general fund the tax revenue collected under this chapter.

2 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
3 the treasurer of state shall quarterly pay the following amounts:

4 (1) Except as provided in subsection (k), one dollar (\$1) of the
5 admissions tax collected by the licensed owner for each person
6 embarking on a gambling excursion during the quarter or admitted
7 to a riverboat that has implemented flexible scheduling under
8 IC 4-33-6-21 during the quarter shall be paid to:

9 (A) the city in which the riverboat is docked, if the city:

10 (i) is located in a county having a population of more than
11 one hundred ten thousand (110,000) but less than one
12 hundred fifteen thousand (115,000); or

13 (ii) is contiguous to the Ohio River and is the largest city in
14 the county; and

15 (B) the county in which the riverboat is docked, if the riverboat
16 is not docked in a city described in clause (A).

17 (2) Except as provided in subsection (k), one dollar (\$1) of the
18 admissions tax collected by the licensed owner for each person:

19 (A) embarking on a gambling excursion during the quarter; or

20 (B) admitted to a riverboat during the quarter that has
21 implemented flexible scheduling under IC 4-33-6-21;

22 shall be paid to the county in which the riverboat is docked. In the
23 case of a county described in subdivision (1)(B), this one dollar
24 (\$1) is in addition to the one dollar (\$1) received under
25 subdivision (1)(B).

26 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
27 admissions tax collected by the licensed owner for each person:

28 (A) embarking on a gambling excursion during the quarter; or

29 (B) admitted to a riverboat during the quarter that has
30 implemented flexible scheduling under IC 4-33-6-21;

31 shall be paid to the county convention and visitors bureau or
32 promotion fund for the county in which the riverboat is docked.

33 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
34 the admissions tax collected by the licensed owner for each
35 person:

36 (A) embarking on a gambling excursion during the quarter; or

37 (B) admitted to a riverboat during a quarter that has
38 implemented flexible scheduling under IC 4-33-6-21;

39 shall be paid to the state fair commission, for use in any activity
40 that the commission is authorized to carry out under IC 15-1.5-3.

41 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
42 admissions tax collected by the licensed owner for each person:

43 (A) embarking on a gambling excursion during the quarter; or

44 (B) admitted to a riverboat during the quarter that has
45 implemented flexible scheduling under IC 4-33-6-21;

46 shall be paid to the division of mental health and addiction. The
47 division shall allocate at least twenty-five percent (25%) of the
48 funds derived from the admissions tax to the prevention and

1 treatment of compulsive gambling.

2 (6) Except as provided in ~~subsection~~ **subsections (k) and (l)**,
 3 sixty-five cents (\$0.65) of the admissions tax collected by the
 4 licensed owner for each person embarking on a gambling
 5 excursion during the quarter or admitted to a riverboat during the
 6 quarter that has implemented flexible scheduling under
 7 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
 8 to be distributed as follows, in amounts determined by the Indiana
 9 horse racing commission, for the promotion and operation of
 10 horse racing in Indiana:

11 (A) To one (1) or more breed development funds established
 12 by the Indiana horse racing commission under IC 4-31-11-10.

13 (B) To a racetrack that was approved by the Indiana horse
 14 racing commission under IC 4-31. The commission may make
 15 a grant under this clause only for purses, promotions, and
 16 routine operations of the racetrack. No grants shall be made for
 17 long term capital investment or construction, and no grants
 18 shall be made before the racetrack becomes operational and is
 19 offering a racing schedule.

20 (c) With respect to tax revenue collected from a riverboat located in
 21 a historic hotel district, the treasurer of state shall quarterly pay the
 22 following amounts:

23 (1) Twenty-five percent (25%) of the admissions tax collected
 24 during the quarter shall be paid to the county treasurer of the
 25 county in which the riverboat is docked. The county treasurer
 26 shall distribute the money received under this subdivision as
 27 follows:

28 (A) Twenty percent (20%) shall be quarterly distributed to the
 29 county treasurer of a county having a population of more than
 30 thirty-nine thousand six hundred (39,600) but less than forty
 31 thousand (40,000) for appropriation by the county fiscal body
 32 after receiving a recommendation from the county executive.
 33 The county fiscal body for the receiving county shall provide
 34 for the distribution of the money received under this clause to
 35 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 36 the county under a formula established by the county fiscal
 37 body after receiving a recommendation from the county
 38 executive.

39 (B) Twenty percent (20%) shall be quarterly distributed to the
 40 county treasurer of a county having a population of more than
 41 ten thousand seven hundred (10,700) but less than twelve
 42 thousand (12,000) for appropriation by the county fiscal body.
 43 The county fiscal body for the receiving county shall provide
 44 for the distribution of the money received under this clause to
 45 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 46 the county under a formula established by the county fiscal
 47 body after receiving a recommendation from the county
 48 executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (A) is located in the county in which the riverboat docks; and
- (B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

- (A) Job creation and retention.
- (B) Infrastructure, including water, wastewater, and storm water infrastructure needs.
- (C) Housing.
- (D) Workforce training.
- (E) Health care.
- (F) Local planning.
- (G) Land use.
- (H) Assistance to regional economic development groups.

- 1 (I) Other regional development issues as determined by the
- 2 Indiana economic development corporation.
- 3 (d) With respect to tax revenue collected from a riverboat that
- 4 operates from a county having a population of more than four hundred
- 5 thousand (400,000) but less than seven hundred thousand (700,000), the
- 6 treasurer of state shall quarterly pay the following amounts:
- 7 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 8 admissions tax collected by the licensed owner for each person:
- 9 (A) embarking on a gambling excursion during the quarter; or
- 10 (B) admitted to a riverboat during the quarter that has
- 11 implemented flexible scheduling under IC 4-33-6-21;
- 12 shall be paid to the city in which the riverboat is docked.
- 13 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 14 admissions tax collected by the licensed owner for each person:
- 15 (A) embarking on a gambling excursion during the quarter; or
- 16 (B) admitted to a riverboat during the quarter that has
- 17 implemented flexible scheduling under IC 4-33-6-21;
- 18 shall be paid to the county in which the riverboat is docked.
- 19 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 20 admissions tax collected by the licensed owner for each person:
- 21 (A) embarking on a gambling excursion during the quarter; or
- 22 (B) admitted to a riverboat during the quarter that has
- 23 implemented flexible scheduling under IC 4-33-6-21;
- 24 shall be paid to the county convention and visitors bureau or
- 25 promotion fund for the county in which the riverboat is docked.
- 26 (4) Except as provided in subsection (k), one cent (\$0.01) of the
- 27 admissions tax collected by the licensed owner for each person:
- 28 (A) embarking on a gambling excursion during the quarter; or
- 29 (B) admitted to a riverboat during the quarter that has
- 30 implemented flexible scheduling under IC 4-33-6-21;
- 31 shall be paid to the northwest Indiana law enforcement training
- 32 center.
- 33 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 34 the admissions tax collected by the licensed owner for each
- 35 person:
- 36 (A) embarking on a gambling excursion during the quarter; or
- 37 (B) admitted to a riverboat during a quarter that has
- 38 implemented flexible scheduling under IC 4-33-6-21;
- 39 shall be paid to the state fair commission for use in any activity
- 40 that the commission is authorized to carry out under IC 15-1.5-3.
- 41 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
- 42 admissions tax collected by the licensed owner for each person:
- 43 (A) embarking on a gambling excursion during the quarter; or
- 44 (B) admitted to a riverboat during the quarter that has
- 45 implemented flexible scheduling under IC 4-33-6-21;
- 46 shall be paid to the division of mental health and addiction. The
- 47 division shall allocate at least twenty-five percent (25%) of the
- 48 funds derived from the admissions tax to the prevention and

1 treatment of compulsive gambling.

2 (7) Except as provided in ~~subsection~~ **subsections (k) and (l)**,
 3 sixty-five cents (\$0.65) of the admissions tax collected by the
 4 licensed owner for each person embarking on a gambling
 5 excursion during the quarter or admitted to a riverboat during the
 6 quarter that has implemented flexible scheduling under
 7 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
 8 to be distributed as follows, in amounts determined by the Indiana
 9 horse racing commission, for the promotion and operation of
 10 horse racing in Indiana:

11 (A) To one (1) or more breed development funds established
 12 by the Indiana horse racing commission under IC 4-31-11-10.

13 (B) To a racetrack that was approved by the Indiana horse
 14 racing commission under IC 4-31. The commission may make
 15 a grant under this clause only for purses, promotions, and
 16 routine operations of the racetrack. No grants shall be made for
 17 long term capital investment or construction, and no grants
 18 shall be made before the racetrack becomes operational and is
 19 offering a racing schedule.

20 (e) Money paid to a unit of local government under subsection (b)(1)
 21 through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

22 (1) must be paid to the fiscal officer of the unit and may be
 23 deposited in the unit's general fund or riverboat fund established
 24 under IC 36-1-8-9, or both;

25 (2) may not be used to reduce the unit's maximum levy under
 26 IC 6-1.1-18.5 but may be used at the discretion of the unit to
 27 reduce the property tax levy of the unit for a particular year;

28 (3) may be used for any legal or corporate purpose of the unit,
 29 including the pledge of money to bonds, leases, or other
 30 obligations under IC 5-1-14-4; and

31 (4) is considered miscellaneous revenue.

32 (f) Money paid by the treasurer of state under subsection (b)(3) or
 33 (d)(3) shall be:

34 (1) deposited in:

35 (A) the county convention and visitor promotion fund; or

36 (B) the county's general fund if the county does not have a
 37 convention and visitor promotion fund; and

38 (2) used only for the tourism promotion, advertising, and
 39 economic development activities of the county and community.

40 (g) Money received by the division of mental health and addiction
 41 under subsections (b)(5) and (d)(6):

42 (1) is annually appropriated to the division of mental health and
 43 addiction;

44 (2) shall be distributed to the division of mental health and
 45 addiction at times during each state fiscal year determined by the
 46 budget agency; and

47 (3) shall be used by the division of mental health and addiction for
 48 programs and facilities for the prevention and treatment of

addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

- (1) Each entity receiving money under subsection (b).
- (2) Each entity receiving money under subsection (d)(1) through (d)(2).
- (3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) exceed a particular entity's base year revenue; and
 - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

(l) The maximum amount paid to the Indiana horse racing commission under this section in a state fiscal year ending may not exceed the remainder of:

- (1) the Indiana horse racing commission's base year revenue**

as determined under subsection (h); minus

(2) the amount of pari-mutuel pull tab revenues, if any, distributed under IC 4-35-7-3(a)(1) in the state fiscal year.

The treasurer of state shall pay the amount of the admissions taxes equal to the amount of pari-mutuel pull tab revenues subtracted from the Indiana horse racing commission's base year revenue under this subsection to the state general fund instead of to the Indiana horse racing commission.

SECTION 10. IC 4-33-18-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

(1) the ~~Indiana~~ state lottery commission under IC 4-30 or **IC 4-35;**

(2) the Indiana horse racing commission under IC 4-31;

(3) the department of state revenue under IC 4-32; or

(4) the Indiana gaming commission under IC 4-33.

(b) The department may not exercise any administrative or regulatory powers with respect to:

(1) the Indiana lottery under IC 4-30;

(2) pari-mutuel horse racing under IC 4-31;

(3) charity gaming under IC 4-32; ~~or~~

(4) riverboat casino gambling under IC 4-33; or

(5) pari-mutuel pull tabs under IC 4-35.

SECTION 11. IC 4-35 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 35. PARI-MUTUEL PULL TABS

Chapter 1. Application

Sec. 1. This article applies only to the sale of pari-mutuel pull tabs by the commission at a racetrack.

Sec. 2. This article does not apply to the sale of pull tabs by:

(1) the commission under IC 4-30; or

(2) a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by the commission, whether collected or not) received by the commission from pari-mutuel pull tab sales; minus

(2) the total of:

(A) all cash paid out to patrons as winnings for pari-mutuel pull tabs; and

(B) uncollectible pari-mutuel pull tab receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks

received from pari-mutuel pull tab sales; or
 (ii) two percent (2%) of the total of all sums, including
 checks, whether collected or not, less the amount paid
 out to patrons as winnings for pari-mutuel pull tabs.

For purposes of this section, a counter or personal check that is
 invalid or unenforceable under this article is considered cash
 received by the commission from pari-mutuel pull tab sales.

Sec. 3. "Commission" refers to the state lottery commission
 established by IC 4-30-3-1.

Sec. 4. "Department" refers to the department of state revenue.

Sec. 5. "Director" refers to the director of the commission.

Sec. 6. "Major procurement" means a procurement for a
 contract for either of the following:

(1) Terminals and devices used to dispense pari-mutuel pull
 tabs.

(2) Paper pari-mutuel pull tab games.

Sec. 7. "Pari-mutuel pull tab" means a game offered to the
 public in which a person who purchases a ticket or simulated ticket
 has the opportunity to share in a prize pool, multiple prize pools,
 or a shared prize pool consisting of the total amount wagered in the
 game minus deductions by the commission and other deductions
 either permitted or required by law.

Sec. 8. "Permit holder" means a person holding a permit issued
 under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

Sec. 9. "Racetrack" means the racetrack specified in a permit
 holder's permit to conduct a pari-mutuel horse racing meeting.

Sec. 10. "Vendor" means a person who provides or proposes to
 provide goods or services to the commission. The term does not
 include an employee of the commission, a retailer, or a state
 agency.

Chapter 3. General Provisions

Sec. 1. All shipments of pari-mutuel pull tab machines to the
 commission in Indiana, the registering, recording, and labeling of
 which have been completed by the manufacturer or dealer in
 accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal
 shipments of gambling devices into Indiana.

Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the
 state of Indiana, acting by and through elected and qualified
 members of the general assembly, declares that the state is exempt
 from 15 U.S.C. 1172.

Chapter 4. Powers and Duties of the Commission

Sec. 1. The commission shall regulate and administer the sale,
 purchase, and redemption of pari-mutuel pull tabs under this
 article.

Sec. 2. The commission shall adopt rules under IC 4-22-2,
 including emergency rules adopted under a procedure identical to
 the procedure set forth in IC 4-22-2-37.1, to implement this article,

1 including rules that prescribe:

- 2 (1) an approval process for pari-mutuel pull tab games that
- 3 requires periodic testing of the games and equipment by an
- 4 independent entity under the oversight of the commission to
- 5 ensure the integrity of the games to the public;
- 6 (2) a system of internal audit controls;
- 7 (3) a method of payment for pari-mutuel pull tab prizes that
- 8 allows a player to transfer credits from one (1) terminal or
- 9 device to another;
- 10 (4) a method of payment for pari-mutuel pull tab prizes that
- 11 allows a player to redeem a winning ticket for additional play
- 12 tickets or credit to permit purchase of additional play tickets;
- 13 and
- 14 (5) any other procedure or requirement necessary for the
- 15 efficient and economical operation of the pari-mutuel pull tab
- 16 games and the convenience of the public.

17 Sec. 3. (a) The commission shall submit written monthly and

18 annual reports to the governor disclosing the total pari-mutuel pull

19 tab revenues, prize disbursements, and other expenses of the

20 commission during the preceding month and year. In the annual

21 report, the commission shall:

- 22 (1) describe the organizational structure of the commission;
- 23 (2) identify the divisions created by the director; and
- 24 (3) summarize the functions performed by each division.

25 (b) The commission shall submit the annual report to the

26 governor, the president pro tempore of the senate, the speaker of

27 the house of representatives, the director of the budget agency, and,

28 in an electronic format under IC 5-14-6, the executive director of

29 the legislative services agency not later than February 1 of each

30 year.

31 Sec. 4. The commission shall maintain daily records of

32 pari-mutuel pull tab transactions, including the revenue received,

33 claims for prizes, prizes paid, and other financial transactions of

34 the commission.

35 Sec. 5. The commission is entitled to own, sell, and lease real and

36 personal property as necessary to carry out its responsibilities

37 under this article.

38 Sec. 6. The commission may employ division directors and other

39 staff necessary to carry out this article. However, the following

40 restrictions apply to the commission and the director's authority to

41 employ individuals and to the duties of the individuals employed by

42 the commission:

- 43 (1) An individual may not be employed by the commission if
- 44 the individual has been convicted of or entered a plea of guilty
- 45 or nolo contendere to a felony committed in the preceding ten
- 46 (10) years, regardless of adjudication, unless the commission
- 47 determines that:

1 (A) the individual has been pardoned or the individual's
2 civil rights have been restored; or

3 (B) subsequent to the individual's conviction or entry of a
4 plea, the individual engaged in the kind of law abiding
5 behavior and good citizenship that would reflect well upon
6 the integrity of the lottery.

7 (2) The director, a member, or an employee of the commission
8 having decision making authority may not participate in a
9 decision involving a vendor or retailer with whom the
10 director, member, or employee has a financial interest. An
11 employee may not participate in a decision involving a vendor
12 or retailer with whom the employee has discussed employment
13 opportunities without the approval of the director or, if the
14 individual is the director or a member of the commission,
15 without the approval of the governor. An employee of the
16 commission shall notify the director of any employment
17 opportunities discussed or, if the individual is the director or
18 a member of the commission, the director or member shall
19 notify the governor. A violation of this subdivision is a Class
20 A infraction.

21 (3) The director, a member, or an employee of the commission
22 who terminates employment with the commission may not
23 represent a vendor or retailer before the commission
24 regarding a specific matter that the director, member, or
25 employee was involved in while serving as a director or
26 member of or while employed by the commission for one (1)
27 year following the date the director or member left the
28 commission or the date of cessation of employment with the
29 commission. A violation of this subdivision is a Class A
30 infraction.

31 Sec. 7. The commission shall establish and maintain a personnel
32 program for its employees engaged in the operation of pari-mutuel
33 pull tabs under this article. Employees of the commission serve at
34 the pleasure of the director and are subject to suspension,
35 dismissal, reduction in pay, demotion, transfer, or other personnel
36 action at the discretion of the director. Employees of the
37 commission are not merit system employees under IC 4-15-2.
38 Employees may not be hired or fired on the basis of political
39 affiliation.

40 Sec. 8. The commission may charge fees to persons applying for
41 a contract as a vendor. The fees must be reasonably calculated to
42 cover the costs of investigations and other activities related to the
43 processing of the application.

44 Sec. 9. The commission may enter into contracts for the
45 purchase, lease, or lease-purchase of goods and services necessary
46 for the operation and promotion of pari-mutuel pull tabs, including
47 assistance provided by a governmental agency. The commission

1 may require separate bids or proposals for each of the following
 2 supplies or services, if the supplies or services are provided under
 3 contract with the commission under this section or under
 4 IC 4-35-6:

- 5 (1) Management consultation services.
- 6 (2) Pari-mutuel pull tab services and supplies.

7 Sec. 10. (a) This section applies only to contributions made after
 8 June 30, 2005.

9 (b) The definitions set forth in IC 3-5-2 apply to this section.

10 (c) As used in this section, "candidate" refers only to a candidate
 11 for a state office.

12 (d) As used in this section, "committee" refers to any of the
 13 following:

- 14 (1) A candidate's committee.
- 15 (2) A regular party committee.
- 16 (3) A committee organized by a legislative caucus of the house
 17 of the general assembly.
- 18 (4) A committee organized by a legislative caucus of the senate
 19 of the general assembly.

20 (e) As used in this section, "contract" refers only to a contract
 21 with the commission or the director for any of the following:

- 22 (1) A major procurement.
- 23 (2) Auditing services to the commission.

24 (f) As used in this section, "contractor" means a person who has
 25 a contract with the commission or the director.

26 (g) As used in this section, "officer" refers only to either of the
 27 following:

- 28 (1) An individual listed as an officer of a corporation in the
 29 corporation's most recent annual report.
- 30 (2) An individual who is a successor to an individual described
 31 in subdivision (1).

32 (h) A person is considered to have made a contribution under
 33 this section if a contribution is made by any of the following:

- 34 (1) The person.
- 35 (2) An officer of the person.
- 36 (3) A political action committee of the person.

37 (i) A person may not enter into a contract if the person has made
 38 a contribution to a candidate or a committee within the three (3)
 39 years preceding the award of the contract.

40 (j) A contractor, an officer of a contractor, or a political action
 41 committee of a contractor may not make a contribution to a
 42 candidate or a committee while the contract is in effect and during
 43 the three (3) years following the final expiration or termination of
 44 the contract.

45 (k) A person who knowingly or intentionally violates this section
 46 commits a Class D felony.

47 Chapter 5. Pari-Mutuel Pull Tab Vendors

1 **Sec. 1. (a) The commission may enter into contracts for the**
 2 **purchase, lease, or lease-purchase of goods or services necessary to**
 3 **carry out this article. The commission may not contract with any**
 4 **person or entity for the total operation and administration of the**
 5 **sale of pari-mutuel pull tabs authorized by this article, but may**
 6 **enter into contracts and make purchases that integrate functions**
 7 **such as game design, supply of goods and services, and**
 8 **advertisement.**

9 **(b) In all procurement decisions, the director or the commission,**
 10 **if the commission chooses to make the decision, shall take into**
 11 **account the particularly sensitive nature of the gaming authorized**
 12 **by this article and shall consider the competence, quality of**
 13 **product, experience, and timely performance of the vendors in**
 14 **order to promote and ensure security, honesty, fairness, and**
 15 **integrity in the operation and administration of the sale of**
 16 **pari-mutuel pull tabs and the objective of raising net revenues for**
 17 **the benefit of the public purposes described in this article.**

18 **Sec. 2. The division of security established under IC 4-30 shall**
 19 **investigate the financial responsibility, security, and integrity of a**
 20 **person who submits a bid, proposal, or offer as part of a major**
 21 **procurement. At a minimum, each person must disclose at the time**
 22 **of submitting a bid, proposal, or offer to the commission all of the**
 23 **following items:**

24 **(1) A disclosure of the vendor's name and address and the**
 25 **names and addresses of the following:**

26 **(A) If the vendor is a corporation, the officers, directors,**
 27 **and each stockholder in the corporation, except that in the**
 28 **case of owners of equity securities of a publicly traded**
 29 **corporation only the names and addresses of those known**
 30 **to the corporation to own beneficially at least five percent**
 31 **(5%) in equity securities need be disclosed.**

32 **(B) If the vendor is a trust, the trustees and all persons**
 33 **entitled to receive income or benefits from the trust.**

34 **(C) If the vendor is an association, the members, officers,**
 35 **and directors.**

36 **(D) If the vendor is a partnership or joint venture, all of the**
 37 **general partners, limited partners, or joint venturers.**

38 **(2) A disclosure of all the states and jurisdictions in which the**
 39 **vendor does business and the nature of that business for each**
 40 **state or jurisdiction.**

41 **(3) A disclosure of all the states and jurisdictions in which the**
 42 **vendor has contracts to supply gaming goods or services,**
 43 **including lottery goods and services, and of the nature of the**
 44 **goods and services involved for each state or jurisdiction.**

45 **(4) A disclosure of all the states and jurisdictions in which the**
 46 **vendor has applied for, has sought renewal of, has received,**
 47 **has been denied, has pending, or has had revoked or**

terminated a gaming license or contract of any kind and of the disposition in each state or jurisdiction. If a gaming license or contract has been revoked or terminated or has not been renewed or a gaming license application or contract bid has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying this failure to receive a license or contract must be disclosed.

(5) A tax clearance statement from the department of state revenue certifying that the vendor is not on the most recent tax warrant list.

(6) A disclosure of the details of a conviction or judgment of a state or federal court of the vendor of a felony or any other criminal offense other than a traffic violation.

(7) A disclosure of the details of a bankruptcy, an insolvency, a reorganization, or any pending litigation of the vendor.

(8) If a vendor subcontracts part of the work to be performed, the vendor shall disclose all the information required by this chapter for the subcontractor as if the subcontractor were a vendor.

(9) Additional disclosures and information the commission determines appropriate for the procurement involved.

Sec. 3. A contract for a major procurement with a vendor that does not comply with the disclosure requirements described in section 2 of this chapter may not be entered into and is not enforceable. A contract with a vendor who does not comply with the requirements for periodically updating the disclosures during the tenure of the contract as specified in the contract may be terminated by the commission. This section shall be construed broadly and liberally to achieve full disclosure of all information necessary to allow for a full and complete evaluation by the commission of the competence, integrity, background, and character of vendors for major procurement.

Sec. 4. A contract for a major procurement with a vendor may not be entered into if the vendor has been convicted of, or entered a plea of guilty or nolo contendere to, a felony committed in the preceding ten (10) years, regardless of adjudication, unless the commission determines that:

(1) the vendor has been pardoned or the vendor's civil rights have been restored;

(2) subsequent to the conviction or entry of the plea, the vendor has engaged in the kind of law abiding commerce and good citizenship that would reflect well upon the integrity of the lottery; or

(3) if the vendor is a firm, an association, a partnership, a trust, a corporation, a limited liability company, or other entity, the vendor has terminated its relationship with the

individual whose actions directly contributed to the vendor's conviction or entry of the plea.

Sec. 5. Each vendor in a major procurement must, at the time of executing the contract with the commission, post an appropriate bond or a letter of credit with the commission in an amount equal to the full amount estimated to be paid annually to the vendor under contract. However, the commission may, by a majority vote of all the members of the commission, adopt a resolution expressly permitting the director to decrease the bond or letter of credit requirement for a procurement if the director determines that the decrease will result in a cost savings to the commission while still providing adequate protection against nonperformance. In lieu of a bond or letter of credit, a vendor may, to assure the faithful performance of its obligations, deposit and maintain with the commission securities that are interest bearing or accruing and that, with the exception of those specified in subdivision (1) or (2), are rated in one (1) of the four (4) highest classifications by an established nationally recognized investment rating service. Securities eligible under this section are limited to the following:

(1) Certificates of deposit issued by solvent banks or savings associations organized and existing under Indiana law or under the laws of the United States and having their principal place of business in Indiana.

(2) United States bonds and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest.

(3) General obligation bonds and notes of any political subdivision of the state.

(4) Corporate bonds of a corporation that is not an affiliate or subsidiary of the depositor.

Securities shall be held in trust and must have at all times a market value at least equal to the full amount estimated to be paid annually to the vendor under contract.

Sec. 6. Each contract entered into by the commission for a major procurement under this chapter must contain a provision for payment of liquidated damages to the commission for a breach of the major procurement contract by the vendor.

Sec. 7. A contract entered into by the commission under this chapter may not include a provision allowing for warrantless searches.

Sec. 8. Each vendor must be qualified to do business in Indiana and shall file appropriate tax returns as provided by Indiana law. All contracts are governed by Indiana law.

Sec. 9. IC 5-22 does not apply to procurement by the commission. The commission shall adopt rules under IC 4-22-2 for procurement. The rules shall be designed to aid the commission in evaluating competing proposals and selecting the proposal that

provides the greatest long term benefit to Indiana with respect to the quality of the product or services, dependability and integrity of the vendor, dependability of the vendor's products or service, security, competence, timeliness, and maximization of gross revenues and net proceeds over the life of the contract.

Chapter 6. Conduct of Pari-Mutuel Pull Tab Games

Sec. 1. A pari-mutuel pull tab game must be owned and operated by the commission.

Sec. 2. A pari-mutuel pull tab game must be conducted in the following manner:

(1) Each set of pari-mutuel pull tabs must have a predetermined:

- (A) total purchase price; and**
- (B) amount of prizes.**

(2) Randomly ordered pari-mutuel pull tabs may be distributed from an approved location or from a distribution device to:

- (A) the commission at a permit holder's racetrack; or**
- (B) a terminal or device of the commission at the permit holder's racetrack.**

(3) A pari-mutuel pull tab must be presented to a player in the form of a paper ticket or display on a terminal or device.

(4) Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set of numbers, letters, or symbols cannot be seen until the concealing medium is removed.

(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.

(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

Sec. 3. (a) A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab.

(b) A person less than twenty-one (21) years of age may not enter the part of a racetrack in which pari-mutuel pull tabs are sold and redeemed unless the person is an employee of the pari-mutuel pull tab operation.

Sec. 4. The sale price of a pari-mutuel pull tab may not exceed ten dollars (\$10).

Sec. 5. The sale, purchase, and redemption of pari-mutuel pull tabs may occur under this article in no location other than a racetrack operated by a permit holder.

Sec. 6. The commission may not install more than two thousand five hundred (2,500) pari-mutuel pull tab terminals or devices on the premises of a permit holder's racetrack.

Sec. 7. A list of prizes for winning pari-mutuel pull tabs must be

1 posted or displayed at a location where the pari-mutuel pull tabs
2 are sold.

3 Sec. 8. The commission may close a pari-mutuel pull tab game
4 at any time.

5 Sec. 9. A pari-mutuel pull tab terminal or device may be
6 operated by a player without the assistance of the commission for
7 the sale and redemption of pari-mutuel pull tabs.

8 Sec. 10. A pari-mutuel pull tab terminal or device may not
9 dispense coins or currency as prizes for winning pari-mutuel pull
10 tabs. Prizes awarded by a terminal or device must be in the form
11 of credits for additional play or certificates redeemable for cash or
12 prizes.

13 Chapter 7. Pari-Mutuel Pull Tab Revenues

14 Sec. 1. (a) The state shall retain one hundred percent (100%) of
15 the adjusted gross receipts received from the sale of pari-mutuel
16 pull tabs authorized under this article.

17 (b) The commission shall remit the adjusted gross receipts to the
18 treasurer of state before the close of the business day following the
19 day the pari-mutuel pull tabs are sold.

20 (c) The commission may make the payment required under this
21 section by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

22 Sec. 2. (a) The state pull tab wagering fund is established.
23 Money in the fund does not revert to the state general fund at the
24 end of a state fiscal year.

25 (b) The treasurer of state shall deposit the adjusted gross
26 receipts remitted under section 1 of this chapter in the state pull
27 tab wagering fund.

28 (c) Money in the fund is continuously appropriated for the
29 purposes of this chapter.

30 Sec. 3. (a) Before the fifteenth day of each month, the treasurer
31 of state shall distribute the adjusted gross receipts deposited in the
32 state pull tab wagering fund in the preceding month as follows:

33 (1) Seventeen percent (17%) to promote horse racing for
34 distribution under section 4 of this chapter.

35 (2) Thirty-three percent (33%) to be divided in equal amounts
36 to each racetrack at the which the commission sells
37 pari-mutuel pull tabs under this article.

38 (3) Fifty percent (50%) shall be retained by the state and paid
39 as follows:

40 (A) To the board of managers of the capital improvement
41 board established under IC 36-10-9 until the sum of the
42 amounts transferred under this clause in a state fiscal year
43 equals thirty million dollars (\$63,000,000).

44 (B) The remainder to the state general fund.

45 (b) The money transferred under subsection (a)(3)(A) must be
46 used for a stadium and convention center project undertaken by
47 the capital improvement board.

1 **Sec. 4. Subject to subdivision (1)(C), the Indiana horse racing**
 2 **commission shall distribute the money that is paid under section**
 3 **3(a)(1) of this chapter as follows:**

4 **(1) Seventy percent (70%) for the following purposes:**

5 **(A) Forty-six percent (46%) for thoroughbred purposes as**
 6 **follows:**

7 **(i) Ninety-eight and five-tenths percent (98.5%) for**
 8 **thoroughbred purses.**

9 **(ii) One and two-tenths percent (1.2%) to the horsemen's**
 10 **association representing thoroughbred owners and**
 11 **trainers.**

12 **(iii) Three-tenths of one percent (0.3%) to the horsemen's**
 13 **association representing thoroughbred owners and**
 14 **breeders.**

15 **(B) Forty-six percent (46%) for standardbred purposes as**
 16 **follows:**

17 **(i) Ninety-eight and five-tenths percent (98.5%) for**
 18 **standardbred purses.**

19 **(ii) One and five-tenths percent (1.5%) to the horsemen's**
 20 **association representing standardbred owners and**
 21 **trainers.**

22 **(C) Eight percent (8%) for quarterhorse purposes as**
 23 **follows:**

24 **(i) Ninety-five percent (95%) for quarterhorse purses.**

25 **(ii) Five percent (5%) to the horsemen's association**
 26 **representing quarterhorse owners and trainers.**

27 **However, in the first year after the commencement of**
 28 **pari-mutuel pull tab game operations under this article, the**
 29 **money distributed under this clause may not exceed the**
 30 **lesser of two million seven hundred thousand dollars**
 31 **(\$2,700,000) or eight percent (8%) of the money paid under**
 32 **this subdivision. If quarterhorse races average at least**
 33 **seven and five-tenths (7.5) horses per gate in the first year**
 34 **after the commencement of pari-mutuel pull tab game**
 35 **operations or in a subsequent year, the money distributed**
 36 **under this clause for quarterhorse purposes shall be**
 37 **increased by ten percent (10%) in the following year.**
 38 **However, the money distributed under this clause may not**
 39 **exceed eight percent (8%) of the total amount of money**
 40 **distributed under this subdivision. If the amount of money**
 41 **distributed under this clause is less than eight percent (8%)**
 42 **of the total amount of money distributed under this**
 43 **subdivision in a particular year, the amounts distributed**
 44 **under clauses (A) and (B) for that year shall be increased**
 45 **equally in proportional amounts.**

46 **(2) Thirty percent (30%) to the breed development funds**
 47 **established under IC 4-31-11-10 in the same proportion that**

money is distributed for the purposes of each breed under subdivision (1).

Chapter 8. Admissions Tax

Sec. 1. A tax is imposed on admissions to a pari-mutuel pull tab facility authorized under this article at a rate of two dollars (\$2) for each person admitted to the pari-mutuel pull tab facility.

Sec. 2. (a) The commission shall remit admissions taxes collected under this chapter to the department. The commission must remit taxes each day for the preceding day's admissions.

(b) The remission of the tax under this section must be on a form prescribed by the department.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be paid under this section through electronic funds transfer, the department may allow the commission to file a monthly report to reconcile the amount of taxes paid to the department.

Sec. 3. The department shall deposit the taxes remitted under this chapter in the local racetrack gaming fund established under section 4 of this chapter.

Sec. 4. (a) The local racetrack gaming fund is established. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) The treasurer of state shall establish a separate account within the fund for each county containing a racetrack. Each account consists of the admissions taxes collected by the commission for admissions to the pari-mutuel facility located at the county's racetrack and deposited into the fund under section 3 of this chapter.

(c) Money in the fund is continuously appropriated for the purposes of this chapter.

Sec. 5. The treasurer of state shall distribute the admissions taxes deposited in the local racetrack gaming fund as follows:

(1) The tax revenue remitted by the commission from a racetrack that is located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000) shall be distributed under section 6 of this chapter.

(2) The tax revenue remitted by the commission from a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000) shall be distributed under section 7 of this chapter.

Sec. 6. In the case of a racetrack described in section 5(1) of this chapter, the first two hundred thousand dollars (\$200,000) of tax revenue distributed under this section in the first calendar year that pari-mutuel pull tab games are conducted at the racetrack

located in the county must be paid to the county treasurer for a one (1) time distribution to a shelter for victims of domestic violence located in the county. The first two hundred fifty thousand dollars (\$250,000) of tax revenue distributed under this section in the second calendar year that pari-mutuel pull tab games are conducted at the racetrack located in the county must be paid to a post secondary educational institution located in the county to support the institution's electrical engineering programs. The first two hundred thousand dollars (\$200,000) of tax revenue distributed in the third calendar year that pari-mutuel pull tab games are conducted at the racetrack located in the county must be paid to the Madison County Community Health Center. The remainder of the tax revenues distributed under this section each year shall be paid as follows:

(1) Twenty-five percent (25%) to the county's economic development council for distribution under section 8 of this chapter.

(2) Twenty-five percent (25%) to a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

(3) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this subdivision must be divided among the school corporations on a pro rata basis according to the ratio that the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county.

(4) Fifteen percent (15%) to the incorporated cities and towns located in the county other than a city described in subdivision (2). The tax revenue distributed under this subdivision must be divided among the cities and towns on a pro rata basis according to the ratio that the population of each city or town bears to the total population of the county minus the population of a city described in subdivision (2).

(5) Fourteen and five-tenths percent (14.5%) to the capital projects fund of the county for distribution by the county legislative body.

(6) Five-tenths of one percent (0.5%) to the county fiscal body for distribution to mental health and addiction service providers located in the county.

Sec. 7. In the case of a racetrack that is described in section 5(2) of this chapter, the tax revenues remitted by the racetrack shall be paid as follows:

(1) Thirty-eight and five-tenths percent (38.5%) to the county.

(2) Thirty-eight and five-tenths percent (38.5%) to a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred

1 (18,100).

2 (3) Twenty percent (20%) to the school corporations located
3 in the county. The tax revenue distributed under this
4 subdivision must be divided among the school corporations on
5 a pro rata basis according to the ratio that the number of
6 county resident students enrolled in each school corporation
7 bears to the total number of county resident students enrolled
8 in the school corporations located in the county.

9 (4) Five-tenths of one percent (0.5%) to the county fiscal body
10 for distribution to mental health and addiction service
11 providers located in the county.

12 (5) Two and five-tenths percent (2.5%) to a town having a
13 population of more than one thousand (1,000) that is located
14 in the county.

15 Sec. 8. (a) This section applies only to a county having a
16 population of more than one hundred thirty thousand (130,000) but
17 less than one hundred forty-five thousand (145,000).

18 (b) The county economic development council is established to
19 allocate admissions taxes received under section 6 of this chapter
20 within the county. Fifty percent (50%) of the taxes received each
21 year must be allocated for operations, capital improvements, and
22 other necessary expenditures of the certified technology park
23 located in the largest city in the county. The council may allocate
24 the remainder of the taxes received under section 6 of this chapter
25 each year for the following purposes:

26 (1) Economic development projects within the county.

27 (2) Assisting the Madison County Community Health Center.

28 (3) Assisting nonprofit organizations located in the county.

29 If the council determines that the certified technology park located
30 in the largest city in the county no longer needs the amount of
31 money provided under this section, the council may reallocate the
32 taxes for any purpose permitted by this section.

33 (c) The council consists of the following members:

34 (1) Two (2) elected officials, who must be members of different
35 political parties, representing the county and appointed by the
36 county executive.

37 (2) Two (2) elected officials, who must be members of different
38 political parties, representing the largest city in the county
39 and appointed by the mayor of the city.

40 (3) One (1) elected official from each city in the county other
41 than the city described in subdivision (2), appointed by the
42 mayor of the city.

43 (4) One (1) elected official from each town in the county,
44 appointed by the legislative body of the town.

45 (5) The executive dean of Ivy Tech Community
46 College-Anderson or the executive dean's designee.

47 (6) The president of Anderson University or the president's

1 designee.

2 (d) For purposes of this section, "economic development
3 project" means any project that would be considered an economic
4 development project under IC 6-3.5-7-13.1.

5 Sec. 9. (a) As used in this section, "political subdivision" means
6 a county, township, city, town, separate municipal corporation,
7 special taxing district, or school corporation.

8 (b) Money paid to a political subdivision under this chapter:

9 (1) must be paid to the fiscal officer of the political subdivision
10 and must be deposited in the political subdivision's general
11 fund;

12 (2) may not be used to reduce the political subdivision's
13 maximum levy under IC 6-1.1 but may be used at the
14 discretion of the political subdivision to reduce the property
15 tax levy of the political subdivision for a particular year;

16 (3) may be used for any purpose specified in this chapter or
17 for any other legal or corporate purpose of the political
18 subdivision, including the pledge of money to bonds, leases, or
19 other obligations under IC 5-1-14-4; and

20 (4) is considered miscellaneous revenue.

21 Chapter 9. Penalties

22 Sec. 1. A person who knowingly or intentionally aids, induces,
23 or causes a person who is:

24 (1) less than twenty-one (21) years of age; and

25 (2) not an employee of a pari-mutuel pull tab operation
26 operated under this article;

27 to enter or attempt to enter the pari-mutuel pull tab operation
28 commits a Class A misdemeanor.

29 Sec. 2. A person who:

30 (1) is not an employee of a pari-mutuel pull tab operation
31 operated under this article;

32 (2) is less than twenty-one (21) years of age; and

33 (3) knowingly or intentionally enters the pari-mutuel pull tab
34 operation;

35 commits a Class A misdemeanor."

36 Page 87, delete lines 15 through 42.

37 Page 88, delete lines 1 through 12.

38 Page 90, delete lines 33 through 42.

39 Delete pages 91 through 94.

40 Page 229, between lines 38 and 39, begin a new paragraph and
41 insert:

42 "SECTION 97. IC 35-45-5-7 IS AMENDED TO READ AS
43 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. This chapter does
44 not apply to the publication or broadcast of an advertisement, a list of
45 prizes, or other information concerning:

46 (1) pari-mutuel wagering on horse races or a lottery authorized by
47 the law of any state; or

- 1 (2) a game of chance operated in accordance with IC 4-32; **or**
 2 **(3) a pari-mutuel pull tab game operated in accordance with**
 3 **IC 4-35.**
 4 SECTION 98. IC 35-45-5-11 IS ADDED TO THE INDIANA
 5 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2005]: **Sec. 11. This chapter does not apply**
 7 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-35."**
 8 Page 268, between lines 9 and 10, begin a new paragraph and insert:
 9 "SECTION 143. [EFFECTIVE JULY 1, 2005] **(a) The state lottery**
 10 **commission shall adopt the emergency rules required under**
 11 **IC 4-35-4-2, as added by this act, before January 1, 2006.**
 12 **(b) This SECTION expires January 31, 2006."**
 13 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1120 as printed April 4, 2005.)

Senator LANANE